

Investor News

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Fresenius expects mid-single digit organic growth in the medium-term, after strong investment year 2019

Current Group expectations for FY 2019

Based on the current status of the Group's budget process and its FY 2018 guidance, Fresenius expects mid-single digit organic sales growth for FY 2019. Group net income^{1,2}, however, is expected to be broadly stable over FY 2018. Fresenius continues to seek both sales growth and efficiency improvement initiatives in order to enhance these expectations.

Current business segment expectations for FY 2019³

For FY 2019, Fresenius Medical Care currently broadly assumes solid comparable⁴ sales growth and the comparable⁴ net income to be around the level of FY 2018.

Given its outstanding financial performance in FY 2018, Fresenius Kabi will enter 2019 from a tough comparison basis. In general anticipation of easing drug shortage benefits and

¹ In constant currency, before special items and effects of IFRS 16, incl. expenses for the further development of the biosimilars business, H1/18 adjusted for divestitures of Care Coordination activities. 2019 including NxStage operating results.

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Business segment expectations before effects of IFRS 16

⁴ "comparable" is on a constant currency basis and reflects an adjustment for those effects that are as per FMC's view not related to FMC's operating business performance such as, for example, the effects of IFRS 16, sizeable portfolio changes like the divestiture of Sound Inpatient Physicians Holdings or the pending acquisition of NxStage Medical Inc. or other effects of one-time nature like FCPA-related charges or the cost of the 2018 U.S. ballot initiatives. For the preliminary indicative 2019 guidance the "comparable" 2018 basis translates roughly at current currencies for sales in a range of €15,850 – 16,050 million and for net income in a range of €1,350 – 1,365 million. This is subject to fluctuations in the currency rates in the fourth quarter of 2018.

meaningful expenses for the further development of its biosimilars portfolio Fresenius Kabi expects mid-single digit organic sales growth and low- to mid-single digit EBIT¹ growth in constant currency.

Within Fresenius Helios' expectation of low- to mid-single digit organic sales growth, Helios Spain continues to grow faster than Helios Germany. Helios Spain's expected mid-single-digit EBIT growth will not fully offset the headwinds at Helios Germany resulting from regulatory changes and already started countermeasures. Thus, in aggregate, Fresenius Helios currently expects EBIT contraction at a low- to mid-single digit rate.

Fresenius Vamed expects underlying² growth rates similar to previous years.

Current Group medium-term expectations

Given its current expectations for FY 2018 and FY 2019, Fresenius now believes its ambitious Group targets for 2020 will not be met.

From 2020 onwards, Fresenius now expects sustainable organic Group sales growth in the mid-single digits. Group net income³ is expected to grow organically slightly faster than sales. Upon Fresenius Kabi's biosimilars business breaking even, Fresenius expects an acceleration of Group earnings growth. Unlike previous mid-term targets, these expectations exclude the effect of small- to medium-sized acquisitions.

In addition to the significant R&D and business development investments in FY 2017 and FY 2018, Fresenius expects record investments in 2019 in both, capex and opex. These investments will further strengthen the basis for sustainable mid-term growth and are testament to Fresenius' confidence in the dynamic growth opportunities in all of its business segments and end-markets.

Stephan Sturm, CEO of Fresenius, said: "We remain highly confident that Fresenius is on track to continue growing healthily over the medium and long term. Our updated expectations reflect the significant changes made to our portfolio over the last two years. They do not reflect acquisitions, which, however, will remain an important source of growth going forward. Further strengthened by the investments we will make in our businesses next year, Fresenius will be even better positioned for the coming decade."

¹ Before special items, including expenses for the further development of the biosimilars business

² Before transfer of German post-acute care business from Fresenius Helios

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

Acquisitions

Current expectations include the NxStage acquisition by Fresenius Medical Care and exclude any effects related to Akorn, Inc. While mid-term expectations exclude the effects of small- to medium-sized acquisitions, Fresenius will continue to pursue its strategy of selective acquisitions in order to complement organic growth.

Growing dividend

For FY 2018, Fresenius expects to propose a dividend increase in line with earnings growth¹, consistent with its stated dividend policy. The Company intends to further increase its dividend for FY 2019.

Next steps

Fresenius will announce detailed FY 2019 financial guidance and mid-term targets with the release of its FY 2018 results on February 20, 2019.

Conference Call

A conference call will be held on December 7, 2018 at 8 a.m. CET (2 a.m. EDT). All investors are cordially invited to follow the conference call in a live broadcast over the Internet at www.fresenius.com/investors. Following the call, a replay will be available shortly on our website.

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For additional information on the performance indicators used please refer to our website at <https://www.fresenius.com/alternative-performance-measures>.

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Fresenius is a global health care group, providing products and services for dialysis, hospital and outpatient medical care. In 2017, Group sales were €33.9 billion. On September 30, 2018, the Fresenius Group had 277,318 employees worldwide.

For more information visit the Company's website at www.fresenius.com.

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¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA; in constant currency, before special items, incl. expenses for the further development of the biosimilars business, H2/17 adjusted for divestitures of Care Coordination activities

This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements in this release.

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